



Embargoed until: 13 March 2017 at 0700hrs GMT

Queensgate acquires Generator Hostels from Patron Capital in €450m transaction

Queensgate Investments Fund II LP, which is managed by Queensgate Investments, a private equity real estate fund manager, has agreed to purchase design-led hostel owner and operator Generator Hostels from Patron Capital, the pan-European institutional investor focused on property backed investments, and its co-investment partner, Invesco Real Estate, a global real estate manager.

The transaction has an enterprise value of circa €450m and is expected to complete in May.

Generator Hostels, which was held in Patron Capital's Fund III, owns 14 predominantly freehold assets (12 operational and two under development), totalling 8,639 beds, located in London, Paris, Copenhagen, Amsterdam, Miami, Dublin, Hamburg, Barcelona, Berlin Mitte, Stockholm, Madrid, Venice, Berlin Prenzlauer Berg and Rome. Earning current revenues of over €70m, Generator Hostels targets the fast-growing sector of millennial customers, focusing on the best capital city addresses, design-led interiors, a safe environment and, most of all, attractive shared social spaces.

Queensgate Investments intends to own the portfolio for the long term, enhance operations for customers, and invest in excess of €300m into adding more hostel assets.

Keith Breslauer, Managing Director of Patron, said:

"Generator has performed strongly under Patron's ownership, during which time we have expanded the business significantly from just two hostels to 14, and have redefined the hostel concept into the design-led hospitality experience that today's guests want. We are very pleased to have sold Generator to Queensgate, and are confident that the business will continue to grow and thrive under their stewardship."

Jason Kow, CEO of Queensgate Investments, said:

"Generator Hostels represents high-quality freehold assets, robust revenues, an attractive lifestyle brand, and material scalability opportunities. Generator Hostels plays to Queensgate's strengths of working with incumbent management to improve the customer experience, to streamline operations and to bolt on additional assets to this impressive platform."

Patron was advised by Lazard and CMS; Queensgate was advised by Brown Rudnick. Invesco Real Estate was represented by Freshfields.

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Notes to Editors

About Patron Capital Partners

Patron represents approximately €3.4 billion of capital across several funds and related co-investments, investing in property, corporate operating entities whose value is primarily supported by property assets and distressed debt and credit related businesses.

Since it was established in 1999, Patron has invested in over 69 investments and programs involving over 65 million square feet (6 million square metres) in 16 countries, with many of these investments realised.

Investors represent a variety of sovereign wealth funds, prominent universities, major institutions, private foundations, and high net worth individuals located throughout North America, Europe, Asia and the Middle East. The main investment adviser to the Funds is Patron Capital Advisers LLP, which is based in London, and Patron has other offices across Europe including Barcelona, Milan and Luxembourg; the group is comprised of 76 people, including a 43-person investment team.

Further information about Patron Capital is available at www.patroncapital.com.

About Queensgate Investments

Queensgate Investments is a partnership between the Kow Family, the LJ Partnership and the Peterson Group. Queensgate Investments advises and manages around £1.6bn worth of real estate through the suite of Queensgate Investments Funds. Queensgate has an additional £1.5bn of purchasing power.

Key investments include:

- In September 2013, Queensgate acquired London Executive Offices, a 5* service office business, with over 33 assets and over 700,000 sq ft in Belgravia, Mayfair, Midtown and the City. Key assets include 33 St James Square, 1 Cornhill, 53 Davies Street, 78-79 Pall Mall and 2 Eaton Gate
- In December 2015, Queensgate acquired the 906 room Kensington Forum Hotel, the fifth largest hotel in the UK
- In August 2016, Queensgate sold its interest in the 5-star InterContinental Hotel, Conference Centre and Residences at the O2 Arena. The mixed-use development comprises a 488 room hotel, Europe's largest hotel connected conference centre, 100 private residences and 40 serviced apartments.

Queensgate differentiates itself by its flexible, nimble and non-institutional capital with a focus on asset rich operational companies and long income real estate assets.

Further information about Queensgate Investments is available at www.queensgateinv.com.

About Invesco

Invesco is an independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. NYSE: IVZ; www.invesco.com.

About Invesco Real Estate

Invesco Real Estate is a global leader in the real estate investment management business with \$68 billion in real estate assets under management, 447 employees and 21 regional offices across the U.S., Europe and Asia. The firm was established in 1983 and has been actively investing in core, value-add and opportunistic real estate strategies since 1992. Invesco Real Estate is a business name of Invesco Advisers, Inc. which is an indirect, wholly owned subsidiary of Invesco Ltd., (NYSE: IVZ), one of the largest investment management firms in the world with \$813 billion in assets under management and on-the-ground presence in 29 cities worldwide. Information as of December 31, 2016.